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Home Renovation Projects and the New Jersey Home Improvement Act

New Jersey has a set of laws that apply to renovations of residential homes (not new home construction). Specifically, the New Jersey Home Improvement Act, N.J.A.C. 13:45A-16.2, requires that certain provisions be included in all home improvement contracts for residential properties. The key requirements underlying the New Jersey Home Improvement Act are:

- The dates when the work was to begin and be completed;
- The legal name, business address, and registration number of the contractor;
- A copy of the certificate of commercial general liability insurance of the contractor;
- All guarantees and warranties;
- Total price to be paid, including any finance charges;
- The homeowner's right to cancel the contract within three (3) business days after execution of the contract;
- A sufficient description of the work to be done and the principal products or fixtures to be installed, and the type, grade, quality, size or quantity of principal building or construction materials to be used;
- All changes to the contract must be in writing signed by both parties; and
- The contractor must obtain all appropriate mid-inspection approvals and other municipal approvals before commencing work.

The above violations also give rise to a violation of New Jersey's Consumer Fraud Act (New Jersey Statutes Annotated 56:1 et. seq.), which could result in severe penalties to the contractor.

As a builder, you must be careful to draft a contract that complies with all of the requirements of the Home Improvement Act. Otherwise, you could inadvertently subject your company to significant penalties. Unfortunately, this is all too commonplace with contractors innocently using standard forms that are simply not compliant with the law. Our firm can assist in preparing a valid contract to avoid this serious pitfall.

As a homeowner, we can aggressively pursue violations of the Home Improvement Act for you. We have experience litigating such cases and have successfully prevailed against fraudulent contractors.